GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industrial Promotion– M/s. Gokaldas Exports Limited – Proposal to set up four Apparel Manufacturing Units (ready-made garment manufacturing units) in Chittoor District- Certain incentives–Orders- Issued.

INDUSTRIES &COMMERCE(POLICY & INVESTMENT)DEPARTMENT

G.O.MS.No. 183 Dated: 20-12-2016

Read the following:-

1. Letter from Vice Chairman and Managing Director M/s. Gokaldas Exports Limited, Dt: 28.07.2016.
2. Email from M/s. Gokaldas Exports Limited, Dt: 18.10.2016.
3. State InvestmentPromotionCommitteemeetingheldon26.10.2016.
4. State InvestmentPromotionBoardMeetingheldon28.10.2016.

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ORDER:-

In the letter 1st and 2nd read above, M/s. Gokaldas Exports Limited, has informed that they have proposed to establish four Apparel Manufacturing Units (ready-made garment manufacturing units) in Chittoor District, with the capital investment of Rs.180.00 – 200.00 crores, with potential to create employment to 16,000 people directly and many more indirectly in a phased manner over three years. The company has requested for the following incentives:

(i) To provide Land at nominal cost.
(ii) Infrastructure support: Company requested for well laid-out roads connecting to national highways, un-interrupted power supply & adequate water supply.
(iii) Capital subsidy of about 25% of total investment (which may work out to about INR 12.5 to 16 crore).
(iv) Scheme extended to training centres can be made applicable for the in-house training centres also.
(v) Suitable wage subsidy to be extended by the state government for first 2 years of operations.
(vi) To ensure availability of APSRTC services at regular intervals between factory & areas from where workers are sourced.
(vii) To establish safe and hygienic hostels for women workers.
(viii) Provide electricity at a fixed power tariff of INR 2.5 per unit for first 5 years of operations.
(ix) To support in terms of subsidy for green energy.
(x) Water to be supplied at a concessional rate of INR 25 per KL.
(xi) Flexible contract Labour Laws on the lines of Gujarat, Rajasthan, M.P
(xii) 50% VAT/ SGST exemption for a period of 15 years. Protection of Fiscal Benefits under GST regime till capital investment is recouped.

2. In the reference 3rd read above, the Empowered Committee of Secretaries in its meeting dt:26.10.2016 has discussed the proposal of M/s. Gokaldas Exports Limited, and recommended for extending the following incentives:

(i) Empowered Committee noted each unit with 5 to 10 acres of land will employ 4,000 employees. Considering the huge employment potential, EC recommended to place the issue before the SIPB to decide on the land cost linked to employment.

(P.T.O)

(ii) 100% of External infrastructure assistance for approach road, water and water supply.
(iii) Investment subsidy @ 20% of the Fixed Assets or Rs.4 crore, whichever is less as per the Textile Policy 2015-20.
(iv) Power cost reimbursement @ Rs. 1.50 per unit for a period of 5 years from the date of commencement of commercial production and extendable to another 2 years, on satisfactory performance of the unit, since the unit is being located in Chittoor, which is a backward District.
(v) Skill up gradation subsidy @ Rs. 10,000 per employee
(vi) To give an option to the company to opt for either 50% reimbursement of the expenditure incurred towards the employer's contribution towards ESI & EPF or interest subsidy, as per the Textile & Apparel Policy 2015-20.
(vii) To facilitate with APSRTC for providing Services frequently from the nearby villages to their production units or construction of hostel facility for their women's staff.
(viii) 50% of capital investment for Green measures with ceiling of Rs 50 crores.
(ix) Water supply at a rate of 25 per KL for 5 years
(x) All other incentives as per Textile and Apparel Policy 2015-20

3. In the reference 4th read above, the State Investment Promotion Board (SIPB) in its meeting dt: 28.10.2016 have discussed the proposal of M/s. Gokaldas Exports Limited, in detail and decided to extend the following incentives:

(i) District Collector has been directed to allocate 5-10 acres of land in three suitable locations (Company visited sites at Thatiguntapalli, Rama Kuppam, Pileru and Nagiri), as the company wants to start three manufacturing facilities immediately in Chittoor District.
(ii) To provide land at 50% concessional rate, considering the huge employment of 200-400 per acre o fland.
(iii) 100% of External infrastructure assistance for approach road, water and water supply under IIDF/Backward region grant available with district collector.
(iv) Investment subsidy @ 20 % of the Fixed Assets or Rs. 4 crore, whichever is less as per the Textile Policy 2015-20.
(v) Powercostreimbursement@Rs. 1.50perunitfora period of 5 years from the date of commencement of commercial production and extendable to another 2 years, on satisfactory performance of the unit, since the unit is being located in Chittoor, which is a backward District.
(vi) Skill upgradation subsidy @ Rs.10,000 per employee for all the three proposed units.
(vii) To give an option to the company to opt for either 50% reimbursement of the expenditure incurred towards the employer's contribution towards ESI &EPF orinterest subsidy, as per the Textile and Apparel Policy 2015-20.
(viii) To facilitate with APSRTC for providing Services frequently from the nearby villages to their production units.
(ix) 50% of capital investment for Green measures as specified in the IDP 2015-20 with ceiling of Rs 50 crores.
(x) Water supply at a rate of 25 per KL for 5 years from date of commencement of commercial production.
(xi) All other incentives as per Textile and Apparel Policy 2015-20.

(Cont..3)

3. The Government after careful consideration of the recommendations of the State Investment Promotion Board hereby extend the following incentives to M/s. Gokaldas Exports Limited, for their proposed units with an investment of Rs.180-200 crores with a potential to create employment to 16,000 people:

(i) District Collector has been directed to allocate 5-10 acres of land in three suitable locations (Company visited sites at Thatiguntapalli, Rama Kuppam, Pileru and Nagiri), as the company wants to start three manufacturing facilities immediately in Chittoor District.
(ii) To provide land at 50% concessional rate, considering the huge employment of 200-400 per acre of land.
(iii) 100% of External infrastructure assistance for approach road, water and water supply under IIDF/Backward region grant available with district collector.
(iv) Investment subsidy @20% of the Fixed Assets or Rs.4 crore, whichever is less as per the Textile Policy 2015-20
(v) Power cost reimbursement @ Rs. 1.50 per unit for a period of 5 years from the date of commencement of commercial production and extendable to another 2 years, on satisfactory performance of the unit, since the unit is being located in Chittoor, which is a backward District.
(vi) Skill upgradation subsidy @ Rs.10,000 per employee for all the three proposed units
(vii) To give an option to the company to opt for either 50% reimbursement of the expenditure incurred towards the employer's contribution towards ESI &EPF orinterest subsidy, as per the Policy.
(viii) To facilitate with APSRTC for providing Services frequently from the nearby villages to their production units
(ix) 50% of capital investment for Green measures as specified in the IDP 2015-20 with ceiling of Rs 50 crores.
(x) Water supply at a rate of 25 per KL for 5 years from date of commencement of commercial production.
(xi) All other incentives as per Textile and Apparel Policy 2015-20.

4. The Commissioner of Handlooms and Textiles and Director of Industries, Andhra Pradesh shall take necessary action, accordingly and intimate the status and the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Commissioner of Handlooms & Textiles, Andhra Pradesh, Hyderabad.
The Director of Industries, Andhra pradesh., Hyderabad.
From M/s. Gokaldas Exports Limited, through the Director of Industries.

Copy to:

The Finance (FMU-REV-IC)Department.
The Revenue (CT) Department.
The Revenue(Registration) Department.
The Energy Department.
The Irrigation (Reforms) Department.
The Law (H) Department.
The TR&B Department.

(Cont..4)

The Accountant General, Andhra Pradesh.
The Commissioner of Commercial Taxes, Andhra Pradesh.
The Chairman & Managing Director, APTRANSCO.,Andhra Pradesh.
The Managing Director, APSPDC Ltd., Tirupathi, Andhra Pradesh.
The District Collector, Chittoor.
The General Manager, District Industry Centre, Chittoor
The Zonal Manager, APIIC, Chittoor.
P.S. to Secretary to Chief Minister.
P.S. to Chief Secretary to Government.
P.S.to E.O. Secretary to Govt.,Industries & Commerce Department.
SC/SF.

// FORWARDED :: BY ORDER //

SECTION OFFICER